

Please Note: In order to qualify for a Public Assistance (Infrastructure) Grant your county must 1st be designated eligible for Public Assistance (Infrastructure) by FEMA.

For more information on Public Assistance (Infrastructure) please visit the Public Assistance section of the FEMA website at

<http://www.fema.gov/government/grant/pa/index.shtm>

FREQUENTLY ASKED QUESTIONS

What types of financial assistance are available through FEMA for replacement of publicly owned facilities and the facilities of some Private Non-Profit (PNP) organizations?

The Federal Emergency Management Agency's (FEMA) Public Assistance (PA) Grant Program provides assistance to State, Tribal and local governments, and certain types of Private Nonprofit organizations so that communities can quickly respond to and recover from major disasters or emergencies declared by the President.

Does the time period in which work is performed affect the reimbursement of that work?

The initial deadlines are established according to the type of work performed.

Debris removal - 6 months

Emergency protective measures - 6 months

Permanent repair work - 18 months

Time extensions may be granted for extenuating circumstances.

For debris removal and emergency work, an additional 6 months may be granted by the State. For permanent restoration work, an additional 30 months may be granted by the State. Requests for extensions beyond the deadlines listed above may be submitted by the State to the DRM. The DRM has authority to grant extensions appropriate to the situation. The DRM may impose requirements upon the State to ensure that the project will be completed within the approved time limit.

You will only be reimbursed for those costs incurred up to the latest approved completion date for a particular project. The project must be completed for you to retain any money already funded.

What types of costs are eligible for public assistance funding?

Generally, costs that can be directly tied to the performance of eligible work are eligible. Such costs must be:

- reasonable and necessary to accomplish the work;
- compliant with Federal, State, and local requirements for procurement; and
- reduced by all applicable credits, such as insurance proceeds and salvage values.

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In other words, a reasonable cost is a cost that is both fair and equitable for the type of work being performed. For example:

If the going rental rate for a backhoe is \$25/hour, it would not be reasonable to charge \$75/hour for a backhoe.

Determining reasonableness is particularly important when Federal funds are involved. Considerations should be given to whether the cost is of a type generally recognized as ordinary and necessary for the subject facility and type of work and whether the individuals concerned acted with prudence in conducting work. In addition, normal procedures must not be altered because of the potential for reimbursement from Federal funds.

Reasonable costs can be established through:

- the use of historical documentation for similar work;
- average costs for similar work in the area;
- published unit costs from national cost estimating databases; and
- FEMA cost codes.

In performing work, applicants must adhere to all Federal, State, and local procurement requirements. Furthermore, an applicant may not receive funding from two sources to repair disaster damage. Such a duplication of benefits is prohibited by the Stafford Act. If an applicant can obtain assistance for a project from a source other than FEMA, including insurance proceeds, then FEMA cannot provide funds for that project. A State disaster assistance program is not considered a duplication of Federal funding. Donated grants from banks, private organizations, trust funds, and contingency funds must be evaluated individually to determine whether they constitute a duplication of benefits.

The eligible cost criteria referenced above apply to all direct costs, including labor, materials, equipment, and contracts awarded for the performance of eligible work.

Do all contracts have to be competitively bid?

All contract procurement should be conducted in a manner providing full and open competition in compliance with State and local procurement regulations. Contracts will normally be competitively bid unless one of the following instances apply:

- The item is available only from a single source;
- The awarding agency authorizes noncompetitive proposals;

- After solicitation of a number of sources, competition is determined inadequate; or
- The contract will eliminate or reduce an immediate threat to life, public health or safety.

What costs are covered by the statutory administrative allowance?

The Statutory Administrative Allowance is provided to lessen the financial impact of administering the disaster recovery effort, including preparation of the Project Worksheet, related field inspections, project applications, final inspection reports and final audits. Necessary costs of requesting, obtaining and administering Federal disaster assistance are covered by this allowance. No other administrative costs are eligible. Good fiscal management and record keeping are essential to controlling the indirect costs associated with FEMA-reimbursed projects.

What type of documentation do I need?

All of the documentation pertaining to a project should be filed together with the corresponding Project Worksheet and maintained by you as the permanent record of the project. These records become the basis for verifying your final project costs, and, for small projects, will be used to sample and validate your estimated project costs.

Documentation is the process of establishing and maintaining accurate records of events and expenditures related to your disaster recovery work. The information required for your documentation basically describes the "who, what, when, where, why, and how much" for each item of disaster recovery work.

How should I maintain my records?

There are many ways to maintain your records. What is important is that you have the necessary information readily available, and that this information is in a usable format. It is important that you accurately document the events and expenses incurred in disaster response and recovery.

May I use my own records system?

Absolutely. If you already have a system you want to use, just be sure to compile your documentation according to the Project Number, which your Public Assistance Coordinator will assign to your Project Worksheet. You should keep all documentation for three (3) years following the State's closure of your grant. Under the "Single Audit Act," there is a possibility of an audit by State auditors and/or the FEMA Office of Inspector General.

What records do I need to keep and for how long?

All of the following records may not be applicable to every project, but everything that does pertain to a project should be filed with the corresponding Project Worksheet. You should retain these records for three (3) years from the date the State closes your grant.

- Checklist for Each Project
- Completed Project Worksheet
- Completed Special Considerations Questions form
- Estimated and actual costs
- Force account labor
- Force account equipment
- Rented equipment
- Materials and purchases
- Photographs of damage, work underway, work completed
- Insurance information
- Environmental and/or historic alternatives and hazard mitigation opportunities considered for large, improved or alternate projects
- Environmental Review Documents
- Records of donated goods and services

How are public assistance grants disbursed?

Two different payment methods have been established for Public Assistance Program grants. The difference between the methods is dependent on whether a project is small or large. That determination is based on a cost threshold that changes annually. The threshold is updated at the beginning of each fiscal year and published in the Federal Register. As of October 1, 2007, the threshold is set at \$60,900. If the estimated cost of a project is equal to or exceeds this threshold, the project is processed as a large project.

Large Projects are funded using a final accounting of actual costs. The steps for processing a large project are described below.

1. A Project Worksheet is prepared by the Project Officer. FEMA approves funding using the estimate and obligates the Federal share of the funds to the State.
2. As the project proceeds, the Applicant periodically request funds from the State to meet expenses that have been incurred or that are expected in the near future. It may take time to process a request for funds through the State system, and the Applicant should take this into account when timing requests for funds.
3. When the project is complete, the State determines the final cost of accomplishing the eligible work, often performing inspections or audits to do so. The State then submits a report on the completed project to FEMA, certifying that the Applicant's costs were incurred in the completion of eligible work.
4. After reviewing the State's report, FEMA will consider adjusting the amount of the grant to reflect the actual cost of the eligible work.

While proceeding with the project, the Applicant must ensure that grant funds are used only for eligible work. When reviewing final costs, the State cannot provide funds for

costs that are outside the scope of work approved by FEMA. The Applicant should contact the State if changes to the scope of work are foreseen or identified during performance of the work.

Similarly, an Applicant may find during construction that FEMA's initial estimate is too low. If this happens, the Applicant should request an increase in the funds FEMA has made available for the work. As with changes in scope, the Applicant should request funding level increases through the State as soon as the need becomes apparent.

How should cost estimating be handled?

When an Applicant requests public assistance for disaster-related work, grant amounts are based on actual costs if the work was completed at the time of the request. However, for work that has not been completed at the time of the request, a Cost Estimate must be used.

Typically, these estimates are prepared using unit costs. With this method, the project is broken down into elements based on the quantities of material that must be used to complete the work. For example, a culvert repair may be broken down into linear feet of pipe, cubic yards of fill, and square feet of pavement. The estimate for each of these items is a cost per unit that includes all labor, equipment, and material necessary to install that item (referred to as an "in-place" cost).

FEMA has developed a list of unit costs for typical disaster repairs that may be used for estimating total costs. Alternatively, unit cost data developed by State or local governments may be used, if appropriate. Commercially available cost-estimating guides or data from local vendors and contractors may also be used. It may be necessary for FEMA to review cost data not based on established cost codes before approving a grant.

For large or complex projects, it may be necessary for the Applicant to prepare a detailed design of the restoration work before a viable cost estimate can be developed. In such cases, a grant for engineering and design services is approved first. Once the design is complete, a cost estimate for the work is prepared or actual bids for the work may be used as the basis for the grant.

Costs for managing a project may also be included if the project is sufficiently large or complex to require them. Most small projects do not require project management above the level of a first-level supervisor.

Is there a process for improved projects?

An Improved Project is any project (large or small) where the applicant chooses to make additional improvements to the facility while making disaster repairs. Applicants performing restoration work on a damaged facility may use the opportunity to make additional improvements while still restoring the facility to its pre-disaster design.

For the most part, these are projects in which the funding for approved work cannot be tracked within the improved projects because of physical changes or contracting arrangements. For example, an applicant might propose laying asphalt on a gravel road or replacing a firehouse that originally had two bays with one that has three.

An improved project may be requested for both small and large projects, but must be approved by the grantee prior to construction. Any project that results in a significant change from the pre-disaster configuration (that is, different location, footprint, function, or size) must be reviewed by FEMA prior to construction to ensure completion of the appropriate environmental and/or historical review. Grantee approval must be held pending such review.

Federal funding for improved projects is limited to the Federal share of the estimated costs and to the time limits that would be associated with repairing the damaged facility to its pre-disaster design. Justified time extensions may be approved. The balance of the funds is a non-Federal responsibility. Funds to construct the improved project can be combined with a grant from another Federal agency; however, Federal grants cannot be used to meet the grantee or local cost-share requirement.

If the original facility is being repaired and improvements are being added, Section 406 Hazard Mitigation funding may be applied to the original facility. If the improved project involves a new facility on the same site or on a different site, Section 406 Hazard Mitigation funding will not be applied to that project.

Is there a process for creating an alternate project in the event that a locality does not want to restore a damaged facility, but instead wants to create a different facility or expand an existing one?

Occasionally an Applicant may determine that the public welfare would not be best served by restoring a damaged facility or its function to the pre-disaster design. This usually occurs when the service provided by the facility is no longer needed, although the facility was still in use at the time of the disaster. Under these circumstances, the Applicant may apply to FEMA to use the eligible funds for an Alternate Project.

Possible alternate projects include:

- Repair or expansion of other public facilities
- Construction of new public facilities
- Purchase of capital equipment
- Funding of hazard mitigation measures in the area affected by the disaster

The alternate project option may be proposed for both small and large projects, but only for permanent restoration projects located within the declared disaster area. All requests for alternate projects must be made within 12 months of the Kickoff Meeting and approved by FEMA prior to construction.

Alternate projects are eligible for 75 percent of the approved Federal share of the estimated eligible costs associated with repairing the damaged facility to its pre-disaster design, or the actual costs of completing the alternate project, whichever is less. The share of the costs may be increased to 90 percent for publicly owned facilities where unstable soils are present at the site of the damaged facility. This exception does not apply to Private Nonprofit facilities.

The proposed alternate project may not be located in the regulatory floodway and will have to be insured if located in the 100-year floodplain. Funding may not be used for operating costs or to meet the State or local share requirement on other public assistance projects or projects that utilize other Federal grants. 406 Hazard Mitigation funds cannot be applied to an alternate project. An environmental assessment will be performed for all alternate projects.

What deadlines/timelines relate to Public Assistance grants?

FEMA has established Time Limits for requesting assistance and for completing work using Public Assistance Program grants.

Requesting Assistance

- An applicant must submit a Request for Public Assistance within 30 days of the date that the area was designated a disaster area.
- Project information must be submitted to FEMA within 60 days of the Kickoff Meeting.
- FEMA will take action on granting funds for a specific project within 45 days of receiving all of the information for that project.
- A subgrantee may appeal FEMA's decision to the grantee within 60 days of being notified of that decision.

Completing Work

The time frames for completing eligible work are also measured from the date of declaration of the disaster and vary depending on the type of work.

- Debris Clearance within 6 months
- Emergency Work within 6 months
- Permanent Work within 18 months

Time Extension

All time frames are set by regulation; however, if extenuating circumstances or unusual project conditions exist, a time extension may be requested through the grantee. The grantee has the authority to extend the time frames for completion of debris removal and emergency work by 6 months and permanent work by 30 months. For all other extensions, the grantee must request the extension from FEMA.

